

AT HOME & ABROAD**The Politics of Foreign Aid:
Faith, Hope, or Charity?**

CPYRGHT

DOUGLASS CATER

CPYRGHT

LATE in February, a Washington *Post* editorial, resorting to an unseasonal cliché, remarked that the Alianza para Progreso was running in some respects "like the proverbial dry creek." The repercussions were swift. Top officials from State and the Agency for International Development were summoned to the President's office for an accounting, and the meeting quickly got down to cases. There had been difficulty obtaining adequate secretarial help for the overworked Alianza executives. Kennedy gave the word and a private secretarial service, Kelly Girls, Inc., was called to fill the breach. (The girls are now being "phased out" since the discovery that their hiring ran afoul of General Accounting Office procedures.) For another obstacle, office space was both cramped and scattered all over town. Within hours, a building was being made ready. (This, too, was canceled when it was subsequently decided that the Alianza should have a back-to-back relationship with corresponding desks in the State Department.) Finally, the co-ordinator of the Alianza, Teodoro Moscoso, disclosed that he needed a good executive officer. "Name him," the President demanded. Moscoso mentioned an officer in State. Next day, the man had his orders.

The episode was a dramatic example of the way a forceful President can peel away the pesky little problems that stifle great programs. But it also revealed good cause for jitters. Last year, in presenting his foreign-aid message to Congress, Kennedy spoke disparagingly of the existing program as "Bureaucratically fragmented, awkward and slow, its administration . . . diffused over a haphazard and irrational structure . . . Piecemeal projects, hastily de-

signed to match the rhythm of the fiscal year. . . ." He sent Congress a plan for a brand-new agency, AID (Agency for International Development), to take the place of ICA, which had been preceded by FOA, MSA, and FCA. This one would pull together existing loosely connected economic-aid programs and give a considerable thrust to what Kennedy proclaimed a "Decade of Development." AID would be long-term and far-reaching, with the economic program of the infant Alianza one of its four regional operations. Unlike the previous reorganizations, this was to be more than an alphabetical name change.

Hirings and Firings

Delays plagued the program from the start. To fill the transition between the old and new agencies, Kennedy appointed Henry Labouisse, an able and experienced government servant who worked hard to push the new act through Congress. But along the way, the White House reached the conclusion that Labouisse was not tough enough for the job ahead.

Getting a replacement for him did not turn out to be easy. After a long search, the President offered the job to George Woods, a New York banker. But when word of this leaked out, memories were stirred that Woods had played an entrepreneurial role in the Dixon-Yates case. Contrary to White House expectations, the resistance on Capitol Hill was prompt and fierce. Mr. Woods found himself dropped.

By then, the administration was in the embarrassing position of seeking funds for the new agency without being able to tell Congress who would head it. The quest led to Fowler Hamilton, a Wall Street lawyer from Missouri who had been cleared to replace Allen Dulles but

was not particularly eager for the job. Hamilton, energetic and with a reputation for toughness, took over the foreign-aid operation on October 3.

It was only thirty-two days before AID was scheduled to be born on November 4. As boss of approximately fifteen thousand employees at home and overseas, Hamilton was held responsible by statute for deciding personally which of them should be transferred into the new agency. He made a valiant effort to meet this responsibility. Working frantically against the clock, personnel officers reviewed the files and singled out more than eight hundred who had received the lowest passing rating—"satisfactory"—during the past three years. A review board screened these and recommended 345 dismissals. When 233 appealed, Hamilton read each file himself, spending evenings and weekends at this onerous task. Finally, 158 were dropped. It was, Hamilton admits wryly, far more nerve-racking than starting a new agency from the ground up.

But the firings provide only a partial idea of the agency's internal agonies. Simultaneously, the pre-ordained reorganization was being carried out, which meant dissolving most of the existing offices in order to set up the huge semi-autonomous regional bureaus. Few of the carry-overs had any certainty of what jobs they would land, if any. And the assignments were being handled by administrative officers who were uncertain of their own futures.

Thus past winter, AID came close to bureaucratic trauma. Already demoralized by frequent shakeups during the former administration, many employees gave way to total despair at what was happening under the new one. An effort headed by Thomas J. Watson, Jr., of IBM to recruit new mission chiefs from the business community was cynically labeled "Operation Tycoon" by the old-timers.

It was inevitable that the Alianza would have the most troubles. Designed to become the largest of the four regional bureaus, it was supposed to get going in a hurry. Yet not until November 14, eight months after Kennedy's proclamation and nearly three months after Sec-